

## Message Text

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PAGE 01 THE HA 00884 210627Z

15

ACTION OPR-02

INFO OCT-01 EUR-25 ISO-00 ABF-01 FSE-00 A-01 /030 W

----- 114594

P R 210535Z FEB 74

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC PRIORITY 3002

INFO AMEMBASSY PARIS

DIA WASHDC

USIA WASHDC

DOD PER DIEM TRAVEL AND TRANSPORTATION ALLOWANCES COMMITTEE

UNCLAS THE HAGUE 884

PARIS FOR RFC

DIA FOR DC/AA-2

USIA FOR IOA/B AND IOA/FR

E.O. 11652: N/A

TAGS: AFIN, AFSP, ABLD, ALLOW, EFIN

SUBJECT: DOLLAR POWER II - FOR BP

REF: STATE 151990 AND 025534; THE HAGUE 0817

1. THE RATE OF EXCHANGE IS CONTINUING ITS DOWNWARD MOVEMENT AND TODAY (FEBRUARY 21, 1974) IT HAS DROPPED TO DUTCH GULDERS 2.798 TO THE DOLLAR. THIS LATEST DECLINE IN THE RATE OF EXCHANGE, WHEN COMPARED TO OUR PREVIOUS REPORT (D.G. 2.83425), MEANS THAT THE COST OF THE GUILDER HAS INCREASED BY ONE POINT THREE ZERO PER CENT.

2. THE LATEST SLUMP REPRESENTS FURTHER MANIFESTATION OF ECONOMIC FORCES PREVIOUSLY DESCRIBED IN OUR LAST TWO DOLLAR POWER II MESSAGES AND REPEATED AS FOLLOWS:

A. REMOVAL OF U.S. CAPITAL OUTFLOW RESTRICTIONS.

B. REMOVAL (BY THE DUTCH) OF CAPITAL INFLOW RESTRICTIONS.

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PAGE 02 THE HA 00884 210627Z

C. THE RATHER GLOOMY U.S. ECONOMIC PICTURE.

D. RELATIVELY LOW U.S. INTEREST RATES.

3. FOR A/ALS: IT IS APPARENT THT THE TREND IN THE RATE OF EXCHANGE IS DEFINITELY DOWNWARD AND, THEREFORE, THE REDUCTION IN POST ALLOWANCE (FROM CLASS 3 TO 2, AS ANNOUNCED BY STATE 025534) DOES NOT APPEAR WARRANTED. FURTHER, WE RECOMMEND THAT LIVING QUARTERS ALLOWANCE RATES FOR THE NETHERLANDS BE REVIEWED AGAIN SINCE THE GUILDER NOW COSTS TWO POINT TWO TWO PER CENT MORE (COMPARE RATES: 2.86 AND 2.798).

4. PLEASE ADVISE.

TANGUY

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DOLLAR, FOREIGN EXCHANGE RATES, GUILDER  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 FEB 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974THEHA00884  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** THE HAGUE  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1974/newtext/t19740217/aaaaapxq.tel  
**Line Count:** 75  
**Locator:** TEXT ON-LINE  
**Office:** ACTION OPR  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** STATE 151990 AND 025534; THE HAGUE 0, 817  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** shawdg  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 01 MAR 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <01 MAR 2002 by elbezejf>; APPROVED <02 DEC 2002 by shawdg>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** DOLLAR POWER II - FOR BP  
**TAGS:** AFIN, AFSP, ABLD, ALOW, EFIN, NL, US  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005